

FY15 Special Projects

Summaries & Staff Recommendations – September 2014

Req #	Organization Name	Project Title	Request Amount	Staff recommendation
Regional Economic Development				
2938	City of Bristol	Hotel Bristol at Reynolds Park	\$1,000,000	\$0
2934	Cumberland IDA	Project Gonzales	\$850,000	table
2942	Dept. of Conservation & Recreation New River Trail State Park	Threatened and Endangered Species Screening Tool for Virginia 's Tobacco Region	\$290,504	\$260,000
2919	Gleaning For The World Inc	Expanding Our Walls Extending Our Reach	\$1,100,000	\$0
2928	Greensville County	Project Lunchbox	\$500,000 \$250,000	\$0
2873	Town of Hillsville	Hillsville Water Treatment Plant Improvements	\$375,000	\$0
2932	Institute for Advanced Learning and Research	STEM-H Mobile Learning Lab	\$325,000	Withdrawn
2900	Integrative Centers For Science And Medicine Inc	Basic Science Building for Martinsville's Medical School	\$1,250,000	0
2937	Russell County IDA	Haifa	\$355,000	
2929	Smith River Sports Complex	SRSC Capital Expansion	\$500,000	\$0
2935	Southwest Virginia Higher Education Center Foundation	Leveraging Federal Tax Credits for Tobacco Region Growth Investments	\$250,000	\$0
2933	The Corporation for Jefferson's Poplar Forest	Analysis and Design of the Poplar Forest Parkway	\$132,524	\$65,432
2939	University Of Virginia Licensing & Ventures Group	Launching University Technology-Based Start-Up Companies in the Tobacco Region	\$45,000	\$0
<i>subtotal - Econ Devel (13)</i>			<i>\$6,973,028</i>	<i>\$325,432</i>
Access to Healthcare				
2936	Piedmont Access To Health Services	Boydton Facility Purchase	\$450,000	0
2734	St Marys Health Wagon	Building the Cornerstone to Economic Development in Southwest Virginia	\$500,000	0

2931	University of Virginia	Cancer Center Without Walls: Survivor Network	\$1,121,419	\$1,121,429
2930	Virginia Commonwealth University	Continuing to Work to Achieve a Cancer Free Virginia	\$3,000,000 \$2,500,000	\$2,000,000
2916	Wellmont Foundation d/b/a Wellmont Health System	Level One Heart Attack Network - SWVA Phase III	\$93,591	\$43,591
<i>subtotal – healthcare (5)</i>			<i>\$5,165,010</i>	<i>\$3,165,010</i>
Total (18 requests)			\$12,138,038	\$3,490,442
amount available before/after recommendations			\$3,506,056	\$15,614

REGIONAL ECONOMIC DEVELOPMENT PROPOSALS

City of Bristol

Hotel Bristol at Reynolds Park (#2938)

\$1,000,000 requested

Executive summary provided by applicant: We plan to revitalize and convert the vacant Executive Plaza into Hotel Bristol at Reynolds Park, into a historic boutique hotel in Downtown Bristol, Virginia. Originally built in 1925 by Dr. Hardin Reynolds, our plan will preserve this landmark asset, strategically located adjacent to Birthplace of Country Music Museum "BCM", thus creating a unique public private opportunity. Hotel Bristol, a direct capital investment of \$19 million, will feature 68 rooms/suites, restaurant, roof top bar and event space. Reynolds Park (\$1 million capital investment) will feature a public park, parking and streetscape adjacent to Hotel Bristol, BCM and Cumberland Square Park. Hotel Bristol at Reynolds Park presents an incredible opportunity being strategically located next to the Birthplace of Country Music "BCM". BCM is projected to attract 75,000 attendees (Year-One) and is the primary catalyst behind our project by creating new tourism demand along with existing generators like Rhythm and Roots Reunion and Crooked Road Music Trail. Hotel Bristol will meet this growing demand. Executive Plaza faces challenges as a vacant deteriorated structure with an unsightly and abandoned view for local residents and visitors to BCM and Downtown Bristol. Continuing the momentum of revitalization, new job creation and capital investment is necessary. We plan to capitalize on this unique opportunity by converting a vacant/deteriorated property into a landmark, historic hotel adjacent to BCM. The McCall family and other stakeholders are taking a long term perspective in the revitalization and creation of Hotel Bristol at Reynolds Park as a legacy asset. The project will: eliminate the current vacant/"abandoned" look for the community, especially visitors to BCM; meet the significant demand for a downtown hotel, both current and new generators (BCM); represent significant capital investment estimated at \$19 million for the Hotel and Park, which will create jobs and foster economic development and growth. Hotel Bristol at Reynolds Park will be a key catalyst, alongside BCM, for the continued revitalization of Historic Downtown Bristol. With Bristol being the gateway city to the region, the redevelopment will positively impact the Southwest/Southside localities. The McCall family has committed \$13,000,000 in private capital investment toward the project, and assembled an excellent team of professionals to create and operate a "destination within a destination" legacy asset for years to come. Please explore Mangum Economics' Report for a thorough analysis of the project's economic impact on employment, labor income, economic output, and taxes at the local and regional level.

Staff comments and recommendation: Although it is not clearly stated in the application, staff has been told the financing for the hotel is complete and in place, and TICR funds are not being requested for the hotel redevelopment proper. This request is solely focused on development of a quarter acre greenspace in front of the hotel on publicly-owned property that is already partially landscaped. Public landscaping, streetscaping, and public recreation space are typically responsibilities of local government but do not constitute basic economic development and therefore fall into the Low Priority category for TICR funding. All economic outcomes cited in the attached impact study are attributable to the hotel development, and not the requested public improvements. Ultimately, this project does not involve the financial and governance participation of three or more localities that is long-standing requirement to qualify for Special Projects, and is therefore ineligible for funding consideration. **Staff recommends no award.**

Cumberland IDA

Project Gonzales (#2934)

\$850,000 requested

Executive summary provided by applicant: Project Gonzalez will bring a 28-year-strong advanced manufacturing company creating 34 new jobs and the relocation of 3 managers to Cumberland County. The company designs and fabricates steel components for approximately 40 different customers in multiple industries. The Parent company has 4 additional divisions that serve: Racing, Fabrication, Powder Coating and a Sportsman Division. Some of the industries served include Aerospace, Medical, Fire/Police, refrigeration, printing and racing. The company is one of the few in the nation that offers precision machining services, fabrication services and powder coating in one location. The prospect employs 24 people with the expectation of hiring another 10 employees in the next 36 months. At present, the company is being forced to turn down contracts due to lack of space at their current facility. And with no acceptable expansion area at their location they are unable to meet current growth requirements and future projections. Staff is working overtime and they are running 2 shifts in an effort to meet production demands. Critical to their growth is finding qualified staff to fill positions. The training time to get new employees up to speed further slows production. Gonzalez has outgrown current facilities. Operations are divided between 2 buildings, diminishing work flow and costing 2 to 3 hours lost production time daily. Prior special projects grant award 2150, October 2010 purchased a 30,000 sq.ft. building, six 30,000 gallon tanks, site engineering, prep and permitting. Those services and items were not utilized by the intended beneficiary. We now request the funds to finish site work, construct the existing building, and pour the concrete pad. In addition, we are requesting permission to use the funds from the sale of the six 30,000 gallon tanks for additional site preparation. The Prospect's objective is expansion of its manufacturing facilities to meet projected growth and the establishment of a vocational center focused on advanced manufacturing. Students in Cumberland County would attend the center at no cost. The location of this business in Cumberland County will create much needed tax revenue, good paying jobs and training for citizens of Cumberland and surrounding counties. Three or more managers will be relocated to the county. Increased traffic will also increase revenues at our local businesses. Locating a business in our Park will increase visibility and make a significant improvement in attracting future prospective businesses.

Staff comments and recommendation: Cumberland is a very low allocation locality within the Southside Economic Development program (receiving 0.29% of annual Southside budget, with less than \$38,000 currently available), which according to long-standing policy enables it to seek Special Projects funds when Southside allocation is insufficient to complete a project. The prospect company will relocate 24 jobs from another Virginia locality outside the tobacco region where no room exists for expansion, and create ten new jobs (a TROF application for \$1,000,000 was withdrawn, GOF is anticipated though may not be eligible). The company, which uses very advanced manufacturing equipment, estimates a \$5.5 million private capital investment. In a county with very little industry, the project will allow for Cumberland

County to attract its first prospect to their Industrial Park. The proposed project includes \$125,000 for grading expenses and provides for two connected buildings (20,000 square feet and 30,000 square feet), for total of 50,000 square feet and allowing space for future building expansion. Commission funding under several past grant awards from various programs has contributed ~ \$633K toward development of this park including site acquisition, engineering, waterline extension, and site development costs. The County is also requesting the Commission's approval to allow for \$182K invested in structural components for a metal building under a previous Special Projects grant #2150, which was awarded for a previous prospect for this site, to be repurposed in support of this project (see Other Business). The County IDA returned to the Commission \$125,000 from the sale of TICR-funded assets (six large propane tanks) also purchased using the previous grant #2150 (also described in Other Business), and staff is recommending these funds also be allowed to be used to support the initial site development costs. Staff has requested a breakdown of estimated costs for the two building spaces, recognizing that the 30,000 square foot building would be using the metal frame referenced to TICR #2150. Revised costs estimates received in early-September show a substantially higher costs to erect the two buildings. While staff is supportive of this job-creating project and the accompanying private investment, available funds are not sufficient to complete the project financing, and at this time further project financing is needed from non-Commission sources (potentially lenders etc). **Staff recommends request be tabled.**

Virginia Department of Conservation & Recreation

Threatened and Endangered Species Screening Tool for Virginia's Tobacco Region (#2942)

\$290,504 requested

Executive summary provided by applicant: The Virginia DCR, in partnership with the VEDP and the VDOT propose the development of a threatened & endangered species screening tool for Virginia's Tobacco Region. This will consist of a summary map indicating potential habitats for all T&E species in the Region, which can be shared openly with the business development community and integrated into web mapping tools. This will enable users to make more informed assessments of the potential species-specific issues facing existing and new industrial park sites in the any stage of project planning, saving time and money in all such projects in the Region. Currently, all development projects in new and existing industrial park sites must undergo review for T&E species issues. This requires the navigation of sensitive data access issues with state and federal agencies, consultation, project review, and often field survey. This consultation is based on differing T&E species data sources, that address the general project area. This process can be cumbersome and is routinely a hindrance to the execution of due diligence, master planning and engineering evaluations for projects. This project offers a solution: one streamlined T&E species habitat screening tool openly available to all partners in the region. The Virginia DCR will use current field data to develop predictive models of species distribution for all T&E species in the Tobacco Region. These models will be compiled into summary maps that enable users to identify a specific list of species for which habitat is predicted to occur, for any point selected in the Tobacco Region. This summary screening tool will be available for use at a desktop or via mapping websites, by private and government sectors alike. Due to modeling methods used and design of outputs, this tool will indicate projects' T&E issues without data sensitivity issues. For the first time, this screening tool will provide consistent T&E species maps, openly accessible to the business development community in the Tobacco Region. Private sector users will no longer need to consult with government agencies to initially determine what T&E issues may be of concern at specific sites. The business community will be using the same data as government agencies, enabling more informed decision making, leading to significant savings in time and money for any development project in the Tobacco Region. This project is supported and partially funded by the VEDP, VDOT and the DCR.

Staff comments and recommendation: This effort is reported to have the potential to speed the development permitting process for up to 180 existing tobacco region industrial parks, as well as any future business sites that may be developed. DCR reports it has completed surveys on twelve of the 80 threatened/endangered species that must be studied prior to issuance of development permits. This effort would complete surveys for the predicted habitats of all 80 species across the entire tobacco region. A further benefit of the improved predictability is that fewer counties would be subject to T&E surveys once the enhanced predictability model is completed (currently, sites in any county that abuts another county with known habitat must complete a T&E review, and the enhanced modeling would reportedly remove that requirement). TICR staff has confirmed that the DCR staff that will conduct the work are primarily grant-funded positions, so there is no longer a concern that TICR funding would supplant state general fund appropriations for these staff positions. While this predictive modelling clearly benefits conservation generally, as well as other development sectors such as roads, housing etc, there appears to be solid economic development benefits – though they may be difficult to measure. The principal outcomes of this effort that should appeal to the Commission are the reduced cost and timeframes to get job creation sites permitted for development, which is arguably an effort that is worth this cost (note staff has reduced its funding recommendation to remove nearly \$30,000 of DCR indirect charges that are in the proposal's budget). **Staff recommends award of \$260,000 not including indirect costs.**

Gleaning For The World Inc.

Expanding Our Walls Extending Our Reach (#2919)

\$1,100,000 requested

Executive summary provided by applicant: Gleaning For The World, a 16-year-old organization with a proven track record of efficiency and innovation, seeks a grant of \$1.1 million that will empower the organization to positively affect the three-county area of Appomattox, Bedford and Campbell with \$8.1M of new economic impact over the next three years. This positive economic impact will result from the hiring of new employees at a rate above the average wage in these counties (\$1.5M impact annually) and through the construction of additional facilities (\$4.8M over 36 months). Southside/Southwest employment figures are declining at a faster rate than the rest of the Commonwealth. These areas have economies that are more volatile and produce wide swings in the employment rate primarily due the contract manufacturing and coal mining industries. In addition, there are very few employers in this region. Gleaning For The World serves as reliable economic partner with the capability to actively assist in reversing the negative trends. As a result of Gleaning's success nationally and internationally, the local economy will directly benefit economically by the organization's dependability and growth. Gleaning For The World will accelerate its work in both the private and public sectors to provide a more stable, diversified and growing economy in the Tobacco Commission territory. Ultimately, this will lead to higher living standards in the three-county area. By expanding our operations in Appomattox County, we will offer new and ongoing diversified employment opportunities (21 new positions). Our positive solution also includes significant financial expenditures within Southside area well above the \$1.1M requested in this proposal. Our request offers the Tobacco Commission a minimum of an 8-to-1 return on investment in less than 36 months. Gleaning For The World is a national/international organization. As such, it will put money into the three-county area without removing money from the region. The bottom-line economic impact will be significant:

*\$1M already raised for expansion is coming from outside the Tobacco Commission region.

*Ongoing funding from outside the area increases as the operation expands -- benefiting local economy.

*Local businesses will assist in the expansion -- putting funds directly into Appomattox, Bedford and Campbell.

*New jobs will pay above average wage.

*Media Exposure of project will project a positive image on the area - potentially drawing other successful employers.

Staff comments and recommendation: GFTW is a global humanitarian aid and disaster relief organization whose board shares leadership with Liberty University. It reports that its services have assisted citizens in more than 54 countries and relies on more than 2,000 volunteers. This request includes \$500,000 for personnel costs and \$600,000 in capital expenses to support the expansion of a warehouse and production facility in Concord VA (Appomattox County). While the TROF program was considered for this applicant, they were deemed ineligible due to their nonprofit status and exemption from local property and equipment taxes for its facilities in Appomattox and Campbell Counties. The expansion would provide a production space for a new soup manufacturing area and the WINGS feminine hygiene product manufacturing area, as well as expanding the area used to sort and pack products and donated goods. The applicant estimates the expansion would lead to the direct creation of 21 jobs with reported average salary of \$52,000 and private capital investment of \$1.9 million. GFTW is clearly a highly effective non-profit (as cited by Forbes magazine). However, it is not clear why TCR funds are needed to support staffing and capital costs for an organization that has clearly demonstrated its ability to raise funds nationally and internationally, what the future funding sources for these positions would be, and why the selected tasks can not be completed with its robust volunteer base. It is furthermore unclear why products such as described would need to be produced/manufactured at the GFTW facility as opposed to receiving donated goods and products as cited on the GFTW website. As an enterprise that is exempt from local property and sales taxes, local investment return is also not realized, making this a lower funding priority for the Commission. **Staff recommends no award.**

Greensville County

Project Lunchbox (#2928)

~~\$500,000~~ requested – reduced to \$250,000

Executive summary provided by applicant: Funds will be used as an incentive to attract a plastics manufacturer to the region. The client needs a 70,000 square foot facility in the Greensville County Industrial Park. A total of 80 new jobs will be created in the region in three years with a private investment of \$5 million. The potential to double in size is in the future. The client is focused on Greensville County and a standing facility in Texas. They will be looking for the best deal and the MAMaC RIFA is requesting the Tobacco Commission's assistance in putting together a competitive package. The MAMaC RIFA region is highly distressed. The three member localities have faced numerous closings over the past 3-4 years leaving hundreds of citizens out of work. New industry announcements have been few and far between. Greensville County is home to a plastics injection molding company. They build products for other companies and therefore would not be in competition with Project Lunchbox. Instead they could form a great partnership. Oran Safety Glass is an Israeli owned company that has been in the Greensville County Industrial Park for 6 years. These companies offer opportunities that are unique to this area. Project Lunchbox is an Israeli owned company that manufactures plastic items. They are successful in both Israeli and France. The company sells their product to large box companies such as Wal-Mart, Target and Home Depot. The Wal-Mart push to have 75% of their products manufactured in America has driven the company to locate in the US. Their focus is on Texas and Virginia. The company, if they choose Virginia, will bring 80 jobs and \$5 million investment to the region. Any award would be viewed as "last dollars in" to ensure the client's commitment prior to spending the award. Jobs are vital to the region's economic recovery. In addition, if Project Lunchbox comes to the region Ralph Robbins, the Executive Director of the Virginia Israeli Advisory Board, has committed to working with the owners to promote the area to more Israeli owned industries that may be interested in the US. The client as well as OSG have agreed to

share their success story with these companies and encourage them to come to Virginia to locate. This project could spark-plug a cluster of new industry in the region.

Staff comments and recommendation: Like Cumberland, Greenville is a very low allocation locality within the Southside Economic Development program (receiving less than 1% of the annual Southside budget, with less than \$43,000 currently available), which according to long-standing policy enables it to seek Special Projects funds when Southside allocation is insufficient to complete a project. While the Megasite RIFA is cited throughout the proposal it should be noted that the County has confirmed this is not a regional revenue-sharing project. Two building options are still being weighed (purchase of an existing building versus new construction), and consequently the project budget, use of TCR funds and company's commitment to the site (ownership versus lease) remain unclear. A \$300,000 TROF request is anticipated, based on the projected 80 new jobs and \$5 million private capital investment. The County has reduced its request to \$250,000 as an additional incentive to attract this company to Virginia rather than Texas. However, staff would note that adding Special Projects funds for a TROF-eligible project that does not have regional revenue-sharing is outside of policy and arguably a precedent that could lead to future requests that would be arbitrary and unpredictable. **Staff recommends no award.**

Town of Hillsville

Hillsville Water Treatment Plant Improvements (#2873)

\$375,000 requested

Executive summary provided by applicant: This project is for the construction of the essential improvements to the Hillsville Water Treatment Plant and system components in order to provide for continual reliable water service to the existing and proposed industry in the surrounding area. The Hillsville water treatment plant is the backup water source for the Wildwood Industrial Park, owned in part by Carroll Co., Grayson Co. and Galax. By agreement, the water facility will provide water in the following two circumstances: (1) need for additional capacity and (2) disruption in service. The improvements to the water system include the following: rehabilitation of existing sand filters and clearwell, replacing the backwash basin and various electrical components (MCC), refurbishing the settling basins, adding a generator for backup power at the water treatment plant, and rehabilitation of the Motley and Howlett Street water storage tanks. If these improvements are not made the operation of the treatment facility will be compromised. The proposed project will ensure that the region continues to have access to good dependable water in order to maximize their economic development opportunities. With the functional obsolescence of the existing electronic controls, the Town and Region face the probability of long term shut down of the Treatment Plant. Hillsville has made major investments toward improving its relationship with the surrounding communities. They are poised to act as an anchor for growth of the Tourism Industry and be the community of choice for future manufacturing opportunities. The Town has maximized the amount of loan and be able to remain solvent.

Staff comments and recommendation: This project was submitted in Spring 2014 for the then-available Special Projects balance, but does not involve the financial and governance participation of three or more localities that is long-standing requirement to qualify for Special Projects, and is therefore ineligible for funding consideration. The Town states the water system will serve as a "back-up" source for the regional megasite at Wildwood, and all outcomes appear to be attributable to the development of the megasite, however the Megasite program could fund any water improvements needed for Wildwood (which is currently focused on developing sewer capacity). This therefore appears to be primarily a local residential/commercial project to replace thirty year old equipment that has reached the end of its useful life. The Commission has established policy in the past that consideration of funding for utility projects would require cost flow analysis, evidence of inability to get financing, and must directly support economic

development outcomes. The applicant has already successfully secured \$915,364 from the Virginia Department of Health that is available to support project costs. Given that the improvements primarily address deferred maintenance expenses that the local utility is expected to budget for, these costs are a low priority for the Commission. **Staff recommends no award.**

Institute for Advanced Learning and Research

STEM-H Mobile Learning Lab (#2932)

~~\$325,000 requested~~ **Withdrawn by the applicant**

Integrative Centers For Science And Medicine Inc

Basic Science Building for Martinsville's Medical School (#2900)

\$1,250,000 requested

Executive summary provided by applicant: ICSM, a non-profit Virginia corporation, is proposing renovating its 21,912 sq. ft. Shackelford Building in Martinsville to house a new allopathic (M.D.-granting) medical school for southern Virginia, opening in 2015-2016. SCHEV provisional certification has been received and LCME accreditation is pending. An innovative curriculum will focus on educating doctors for rural primary care. The new medical school will generate 65 new direct jobs in 2015 and serve a broad constituency. An IMPLAN (IMpact analysis for PLANning) analysis estimates ICSM's economic impact in 2014 at \$7,300,000, \$27,200,000 in 2015, and \$30,200,000 in 2016. Martinsville and Henry County have shared the highest unemployment rate in Virginia for over a decade. The surrounding region of southern Virginia is also economically depressed. Unemployment and poverty go hand-in-hand with worsening health. There is thus an urgent need for more doctors in Southside and Southwestern Virginia. There is also a national need for more doctors, with a shortage of 63,000 by 2015 and a worsening shortage predicted through 2025. A regional medical school will address these needs by building local capacity as well as attracting medical students from outside the area, enhancing physician recruitment and retention. Martinsville's new medical school has progressed rapidly and will transform the area's economy when it opens in 2015-2016. The economic impacts are threefold: direct, indirect, and induced, and result from an influx of well-paid professionals and staff, and tuition-paying medical students. An IMPLAN (IMpact analysis for PLANning) analysis was undertaken and it conservatively estimates ICSM's economic impact in 2014 at \$7,300,000, \$27,200,000 in 2015, and \$30,200,000 in 2016. As economic productivity rises so do population health measures. In addition to medical education ICSM and its medical school directly deliver community health care and promote preventive medicine. The renovation of the medical school's Basic Science building will anchor the school's campus in Martinsville's West End district, reinvigorating the historic Fayette Street neighborhood and creating an economic engine for the city and region as a whole. The medical school will educate primary-care physicians, currently the greatest need in healthcare in southern Virginia and indeed all over the U.S. Approximately 40% of doctors end up practicing within 100 miles of where they attended medical school; an increasing number of graduating physicians will redress the acute health needs of the region. Increasing economic growth and improving economic indicators go hand-in-hand.

Staff comments and recommendation: This request would provide \$1.25 million for 50% of renovations to the Basic Science building to be owned by Integrative Centers for Science and Medicine, a nonprofit organization, and to be operated by the private for-profit College of Henricopolis School of Medicine. The College of Henricopolis School of Medicine received a *Provisional Certificate to Operate an Institution of Postsecondary Education* on May 20, 2014 from the State Council of Higher Education for Virginia. This provisional approval by SCHEV is for the school itself and is conditioned on the programmatic approval

by the Liaison Committee on Medical Education (LCME), a national medical school accrediting entity formed by the American Medical Association and Association of American Medical Colleges. The applicant has provided staff with confirmation of ownership of the building to which improvements are requested. A business plan developed in December 2011 was provided, and the applicant notes that a more current multi-year operating budget is provided in their LCME application (a copy was provided to staff). The LCME materials clearly indicate that substantial future funding request(s) will be made to the Commission to establish a second facility for clinical training in Martinsville, and that the applicant aspires to receive a significant portion of any balance from the Southwest VA med school that may ultimately return to the Commission, which is not a known outcome at this time. The applicant is also pursuing \$800,000 of New Market Tax Credits, although the status of that major funding source is not clear. While the school's leadership has made positive strides in moving toward accreditation, an award of this magnitude for capital costs appears premature until accreditation is secured and other significant funding sources have been secured that will allow buildout of the anticipated facilities. **Staff recommends no award.**

Russell County Industrial Development Authority

Haifa (#2937)

\$355,000 requested

Executive summary provided by applicant: Project Haifa is an early stage green energy company that will manufacture B100 biodiesel. A proven team of professionals have been assembled to lead the Company. Project Haifa is in its start-up phase. Project Haifa will launch a multi-feedstock facility using technology from TransBiodiesel of Haifa, Israel. We anticipate producing 22 million gallons of ASTM D7651 grade biodiesel annually from brown grease blended with waste vegetable oils with a byproduct of glycerin. We would like to locate in the former Bush Building, St. Paul, and Russell County, VA if funding can be arranged and we can come to terms on a lease. The biodiesel industry has been plagued by severe supply-side commodities price fluctuations. The use of virgin vegetable oil feedstocks allow for slim margins and also raise concerns about taking volume out of the food supply. This has led many outside the industry to believe that biodiesel is not profitable without a government incentive package. While currently some producers are able to refine and create a second generation biofuel, there are still many avenues left unexplored. Appalachian Biofuels, using a patented enzymatic process, will be able to convert waste oils and fats to biodiesel. This will allow for the production of biodiesel from feedstocks that not only do not remove volume from the food supply, but also are currently unable to be used in commercial biodiesel production. Appalachian Biofuels will not be supply side sensitive to price fluctuations as the feedstock varieties that the company can use are currently unusable waste products. Appalachian Biofuels LLC believes it will be a significant addition to the local community. The company hopes to be a long term place of employment for local workers. In addition to providing jobs and tax revenue, the owners of Appalachian Biofuels would like to be good stewards of community programs, schools, athletics, and charity organizations.

Staff comments and recommendation: This project does not involve the financial and governance participation of three or more localities that is a long-standing requirement to qualify for Special Projects, and is therefore ineligible for funding consideration. A \$210,000 TROF request has been approved and disbursed, based on the projected 40 new jobs and \$2.1 million private capital investment. However, like the Greenville request, staff would note that adding Special Projects funds for a TROF-eligible project that does not have regional revenue-sharing is outside of policy and arguably a precedent that could lead to future requests that are would be arbitrary and unpredictable. Given that the TROF funds have been disbursed to the locality it would appear that no further incentive funds are needed to secure this private company. **Staff recommends no award.**

Smith River Sports Complex
SRSC Capital Expansion (#2929)
\$500,000 requested

Executive summary provided by applicant: The Southern Virginia Recreational Facilities Authority (SVRFA) manages the Smith River Sports Complex (SRSC), an outdoor sports facility in Henry County, Virginia. SRSC is an economic engine of Southern Virginia, driving tourism, hospitality, and sports industries. SRSC aims to increase its economic and tourism impact by attracting larger regional and national events. These larger events require adequate seating, (1000 to 1500 spectator seats), and locker rooms. To attract these events, SRSC plans to add bleachers, locker rooms, restrooms, and parking. Undertaking the proposed project will increase tourism to Southern Virginia to 16,264 overnights and 36,021 day-trippers each year. Without these facilities, SRSC is ineligible to bid on or host larger events and thus, loses an opportunity to attract people from across the country, limiting the impact on tourism. With the expansion project, SRSC anticipates increased field utilization, event participation, visitors to the region, and exposure of Southern Virginia. Consequently, SRSC expects increased economic and tourism impact and improved financial sustainability post-expansion. SRSC forecasts an annual increase of 9,085 visitors and \$789,453 in visitor spending. Over a three year period, SRSC forecasts an increase of 27,255 visitors and \$2,368,358 in visitor spending. The expansion project will enable SRSC to host larger, national events attracting more participants and spectators by adding bleachers, locker rooms, restrooms, and parking. Higher attendance events will result in higher gate receipts and more concessions sales. Increased attendance will improve SRSC's negotiating position to receive better sponsorship support from the local businesses and outside sponsors. SRSC receives rebates from the hotels for the guests who stay there due to the athletic events hosted at SRSC. Higher numbers of visitors from outside the Region will stay at the hotels and spend money locally. The improved facilities will allow SRSC to become a premier sports facility in Southern Virginia, attracting local, regional, and national tourists, increasing the regional exposure, and enhancing tourism in Southern Virginia. Contribution to regional economy will increase to \$3.4 million in local output, 44 full-time equivalent jobs, \$1.2 million in labor income, and \$206,206 in state and local tax revenue annually. Additionally, construction will generate one-time economic activity of \$2.7 million in local output, 21 full-time equivalent jobs, \$0.7 million in labor income, and \$64,978 in tax revenue. Also, the number of visitors will increase by 9,085 annually.

Staff comments and recommendation: The Smith River Sports Complex is a well-designed and heavily-used facility, and TICR staff concedes there are some tourism impacts already accruing at the Complex. While the applicant presented a thorough market analysis of the sports tourism opportunities and competition, that study indicated the planned improvements would add new events on only two to five weekends a year. The applicant indicates that fundraising will continue through all of 2015, with construction planned for 2016, and is requesting a commitment of Commission funds in the current "silent phase." Staff notes the Project does not meet the Special Projects eligibility test of financial participation of three or more local governments. Commission funds, if considered at all, should be requested after the applicant has completed substantial fundraising, and then - only if there is a last-dollar gap - this request could potentially be considered under the Southside Economic Development program as a tourism investment. However, like many other communities that have approached the Commission for sports facility improvements under the premise of sports tourism, the Complex remains primarily an amenity for local recreational use, which does not constitute basic economic development and is therefore a stated Low Priority of the Commission. **Staff recommends no award.**

Southwest Virginia Higher Education Center Foundation
Leveraging Federal Tax Credits for Tobacco Region Growth Investments (#2935)
\$250,000.00 requested

Executive summary provided by applicant: The Southwest Virginia Higher Education Center Foundation requests \$250,000 to be leveraged 20X to capitalize a \$5MM investment fund for high growth potential companies in the Tobacco Region. The investment fund will be supported by federal New Markets Tax Credits (NMTC) recently awarded to Abingdon-based People Incorporated Financial Services in a highly competitive selection process. The Foundation's NMTC investment fund (the "Fund") will invest in 8-10 companies across Southwest and Southside, and create 132 jobs at those companies. The Tobacco Region historically is an underserved market for true investment capital. Risk capital for entrepreneurial, growing companies is a vital ingredient in economic growth. Investment in these companies revitalizes depressed regions and provides economic opportunity for low-income persons. (Eisinger, "The Rise of the Entrepreneurial State," 1988). The opportunity for a NMTC leveraged investment fund was created by People Incorporated's recently successful award of tax credits based on an application which in part proposed a fund of this kind. The Fund will be a professionally-managed, profit-motivated and principled risk capital source for growing companies in the Tobacco Region. A typical investment candidate would be a company currently (or very close to) achieving positive cash flow but not able to find investment capital on the attractive terms the Fund will be able to offer as a result of the federal tax credit enhancement. Typically the companies will be seeking capital for increased hiring, product line expansion, inventory, equipment and/or buildings. In some cases the Fund may invest alongside other TIC R&D matching fund co-investors. Few VC funds operate in the country under the NMTC program because the program traditionally has been used for real estate-based investments, not investments in job-creating companies. The Fund will be novel. A 2001 study by the research firm DRI-WEFA found that 1 job was created in a venture backed company for every \$36K in venture capital investment (a separate 2001 study by Harvard University said 1 job for every \$10K in VC investment). Using the DRI-WEFA figure, investments from the Fund can create 132 jobs. An informative paper from Sherpa Partners is included as an attachment to this Application.

Staff comments and recommendation: The concept of a dedicated venture fund program using New Market credits as described in this proposal is intriguing but untested, and it is difficult to understand how a \$250,000 investment would significantly boost what's planned to be a \$5 million fund. The concept involves the proposed use of \$1.5 million of NMTC and \$3.5 million of conventional lender funds that have not yet been committed. Presumably Commission assets would then be put in a subordinate 2nd or 3rd position in event of any defaults. At this point, this concept is not fully developed enough to warrant a commitment of significant Commission funds. **Staff recommends no award.**

The Corporation for Jefferson's Poplar Forest
Analysis and Design of the Poplar Forest Parkway (#2933)
\$132,524 requested

Executive summary provided by applicant: Poplar Forest respectfully requests an investment of \$132,524 to design and develop a parkway as a new entrance and access road to Jefferson's Bedford County retreat house and plantation. Funding will be used for critical archaeological excavations along the proposed corridor. This new permanent road of approximately 2 miles in length will transform Poplar Forest's ability to deliver a memorable experience to visitors by providing easier access to the physical site in a park-like atmosphere. More stories about the plantation and enslaved laborers can be told. The parkway will also lay the groundwork for planning a new visitor center building. Lack of convenient physical access is a serious obstacle impeding tourism growth at Poplar Forest. Visitors enter off of a

secondary state road that is difficult to find, and many report getting lost on a narrow one-lane bridge; then turn off a state road at an uncontrolled intersection, and drive along a narrow, one-way gravel road to the parking lot; visitors exit via a service entrance and travel through secondary residential roads. According to a recent visitor survey, "56% of respondents considered it either kind of difficult or very difficult to explain how to get there." With the construction of the parkway, Poplar Forest can for the first time provide logical and convenient access for visitors; opening up nearly 600 acres of property for the first time. It will be easy to find, allow visitors to leave the same way they entered, and creates a prominent threshold that signals to visitors that they have arrived at Mr. Jefferson's plantation. The parkway will enter off of a modern, divided four lane road that connects two major arteries, adjacent retail and restaurant businesses, and guide travelers through scenic and historical corridors and landscapes, leading to the historic house. We anticipate that the parkway will be open to greet visitors by spring 2017. The parkway is a key element of a transitional capital campaign that will build public awareness, strengthen educational programming and stabilize Poplar Forest's finances, positioning us to begin careful planning for a financially sustainable visitor center. The parkway unlocks the site's potential as a national tourist attraction comparable to Montpelier and Monticello and helps us tell the story of slavery at Poplar Forest. Most visitors to Poplar Forest are highly educated and travel from out of state; the parkway and related amenities will grow that audience.

Staff comments and recommendation: This proposal requests funds for contracted archaeological work to advance the development of the "Poplar Forest Parkway", a new entrance to the historic *Jefferson's Poplar Forest* on land Jefferson owned and farmed in Bedford County. This proposed highly visible entrance on Enterprise Drive will replace the current primary entrance which winds through several residential neighborhoods. The new parkway entrance has been planned for many years, was previously supported with an earlier Special Projects grant to assist with acquiring the property, and is expected to result in more than doubling of the current attendance. Poplar Forest has already raised over \$2.1 million of unrestricted gifts toward a \$6 million capital campaign of which \$2 million is earmarked for road construction. This provides for the identified \$530,000 in matching funds already in hand for road design and construction documents. An economic impact assessment report produced for the applicant estimates that enhanced accessibility to this nationally-recognized tourist destination could increase annual visitation to 60,000 with the completion of the new entrance, more than doubling of the current annual attendance of 27,569. This is a rare instance of a modest request with substantial committed matching funds, and Poplar Forest is a significant site among the nationally- and internationally-recognized destinations across Southern VA's 360/460 corridor including the D-Day Memorial, Appomattox Courthouse, Patrick Henry's Red Hill and the Moton Civil Rights Museum. Given that there is an available \$67,092 balance in the Bedford County allocation under the Southside Economic Development program, staff suggests those funds should be requested for this project under that program. **Staff recommends the request balance of \$65,432 be awarded from Special Projects.**

University Of Virginia Licensing & Ventures Group
Launching University Technology-Based Start-Up Companies in the Tobacco Region (#2939)
\$45,000 requested

Executive summary provided by applicant: UVa Licensing & Ventures Group proposes to retain a Tobacco Region Entrepreneur-in-Residence ("EIR"). The EIR will focus on commercializing UVa-developed technologies in the Virginia Tobacco Region. The EIR will deeply assess all existing and new UVa technologies, create start-up companies around such technologies, serve as interim management, recruit additional staff and permanent leadership, raise investment capital from private and public sources, and establish homes for the companies in the Tobacco Region. In addition, the EIR will identify related

opportunities for wealth-creating collaboration between Tobacco Region companies and the UVa (see Additional Project Description). Virginia's universities are prolific institutions of innovation. Entrepreneurial communities surround the Commonwealth's leading research universities. Charlottesville - home of the Commonwealth's flagship university - is a perfect example. Yet a short drive to the south and southwest lie fallow fields of business growth. Fallow but potentially fertile. The power of university-based economic development can cross over boundaries (political and cultural) to the Tobacco Region. Entrepreneurship is critical to a regional economy, but experience shows a Tobacco Region entrepreneurial economy cannot be predicated on indigenous growth alone; imported talent and technologies are essential (case in point: Optafuel in Norton/Wise County). Each year UVa licenses out 50-70 new technologies and spins-out 5-7 new start-up companies. Successful start-up company creation is challenging. Faculty members, for example, typically are talented in basic research, not start-up company leadership. Applicant has identified an EIR candidate experienced with university technology commercialization in multiple roles, including as start-up company founder/leader, lawyer, and investor. Furthermore, this individual has spent the past 5 years recruiting young technology companies to the Tobacco Region and assisting their growth. Applicant proposes an initial 1-year project with the EIR to create 2+ new UVa-technology start-ups spread across the Region. University technology spin-outs typically locate in a university's immediate area. Applicant proposes to purposely think more broadly. With its own resources and Tobacco Commission support Applicant will CREATE START-UPS IN THE TOBACCO REGION. As detailed in "More Than Money: The Exponential Impact of Academic Technology Transfer" (2014), university technology commercialization benefits communities in multiple ways, including economic development, high wage jobs, a culture of entrepreneurship, and wealth creation. UVa-affiliated ventures have created 862 jobs over time. This project will directly and measurably benefit jurisdictions across the Region. And there will be a replicable model for the Commonwealth's other research universities.

Staff comments and recommendation: While the applicants are to be commended for conceiving a direct business development network between UVA researchers and tobacco region sites, a concern is that supporting this proposal could generate similar requests to fund business developers based outside the region at other Virginia research institutions including VT, VCU, JMU, ODU, GMU and others. The Commission has established the R&D centers across the tobacco region to fulfill this role to collaborate with research universities, and therefore the concept of funding positions at the universities to create similar synergies seems duplicative. As with most new efforts of this nature, there are also concerns about future sustainability and expectations of annual support from Commission. **Staff recommends no award.**

ACCESS TO HEALTHCARE PROPOSALS

Piedmont Access To Health Services Inc ***Boydton Facility Purchase (#2936)*** **\$450,000 requested**

Executive summary provided by applicant: By partnering with the Virginia Tobacco Indemnification Commission, PATHS will be able to attain the following goals:

- Increase the number of providers, medical and dental;
- Decrease the number of uninsured residents by enrolling them in a plan under the Affordable Care Act;
- Broaden the scope of telemedicine to include more specialty care;
- Improve patient outcomes, especially those with chronic diseases such as diabetes and hypertension; and

- Contribute to economic growth of the area by an increase in workforce and the close proximity to businesses such as Microsoft.

Mecklenburg County, and the surrounding region had been served with access to primary medical, dental, and behavioral health services for over 25 years through an organization based in Boydton, Virginia. As a federally qualified community health center (FQHC), the organization provided care to everyone, regardless of their ability to pay or insurance status. The former organization secured a USDA loan to purchase, renovate and outfit a facility in, or around, 2008. This facility is located at 380 Washington Street, Boydton. In 2012, PATHS implemented operations in Mecklenburg County in a small medical office with 1 Full-time equivalent (FTE) doctor. Within 6 months, PATHS expanded the operation to include another FTE doctor. In 2013, the USDA presented PATHS with an opportunity to lease the larger facility at 380 Washington Street. Since then, the medical practice has been relocated, PATHS has re-opened the fitness center and has secured funding from the Virginia Health Care Foundation that has been used to hire 1 FTE dentist. Since beginning operation in Boydton in 2012, PATHS has found that there is a large number of residents from surrounding counties that travel to PATHS' Boydton facility for care. Specifically, there are 73 active, unique patients from Charlotte County; 1,087 active, unique patients from Halifax County; and 1,112 active, unique patients from Lunenburg County. PATHS contributes this to the fact that the area is very rural, and there are simply not a lot of options available whereby residents can access the services PATHS provides in Boydton.

Staff comments and recommendation: PATHS was established as a 501c3 nonprofit in 2001 and now operates clinics in Danville, Martinsville and Chatham. In 2012 PATHS began leasing and operating the former “Healthcare on the Square” in Boydton from USDA Rural Development, which holds a \$4 million loan that was provided to the former owner/operator (Boydton Community Health Care, Inc.) to establish the facility. PATHS made a purchase offer of \$80,000 to USDA Rural Development in 2013 that was rejected by USDA. PATHS made a second purchase offer to USDA in March 2014 for \$100,000 which again was declined. Under this request PATHS is seeking \$450,000 as a final offer for the building acquisition. The match for the project which is at \$1,000,000 is the difference between an independent appraiser’s value of the property and the grant amount requested from the Commission. USDA has stated its responsibility to consider only a “realistic market value offer” but has not indicated what that amount might be. If successful with this acquisition the project would provide for stabilization and expansion of health care access in Mecklenburg County and the surrounding service area in Southside that is served by this facility. Staff acknowledges that this facility is providing much-needed services for basic health care in the service area. However, absent any indication that an offer of \$450K (barely 10% of the original loan amount) would be considered by USDA – which has recommended PATHS pursue loan financing - the Commission should be apprehensive about obligating nearly a half-million dollars for a property that is currently in the foreclosure process. Given the status described above, and that support for clinics in the footprint does not primarily advance cancer research and only partially advances telemedicine (the stated funding priorities for health care related projects), **staff recommends no award.**

St. Marys Health Wagon

Building the Cornerstone to Economic Development in Southwest Virginia (#2734)
\$500,000 requested

Executive summary provided by applicant: St. Mary's Health Wagon feels that quality health care is the key to economic development. Southwest Virginia is plagued by health care shortages, resulting in high incidences of chronic diseases and early death. Our project will provide a professional medical clinic building in Clintwood, VA. This building will replace the current stationary clinic in Clintwood, VA, which only houses two examination rooms. The new medical clinic building will house six examination rooms to provide quality primary health care to the underserved residents of Southwest Virginia. The six counties

served by the Health Wagon are made up of small communities that are cut into the mountains of Appalachia. These small communities were built around the coal camps that once led these communities into prosperity. The coal camps have since cleared out, however, the communities remain. Typically, these communities lack access to any type of primary health care professional, and must drive over an hour to the nearest medical provider. All counties serviced by the Health Wagon are designated as Medically Underserved Areas, and four out of six counties are designated as Health Professional Shortage Areas. The proposed project will provide a safety net clinic in the heart of Dickenson County. The clinic area will provide easier access for the residents of Buchanan County, Dickenson County, and Russell County to obtain primary medical services in a clinical setting. Having a central location in Dickenson County will cut back on driving time, increase patient health care compliance, and improve overall health outcomes for the individuals of Southwest Virginia. Studies have shown that improved health creates a stronger workforce, ultimately resulting in improved economic status of the community. The proposed project will add to the industrial development of Southwest Virginia, create potential jobs, stimulate the economy, and promote positive health outcomes. St. Mary's Health Wagon is the only free clinic servicing these localities. Poor health outcomes plague the region. Dickenson County is ranked 130 out of 133 counties in Virginia for poor health outcomes. This project will help to improve the health outcomes of the region; ultimately, decreasing preventable hospital stays, premature deaths, and improving morbidity and mortality rates.

Staff comments and recommendation: This project was submitted to the Southwest Economic Development program a year ago and was referred to Special Projects at that time. The proposal seeks funds to construct a 3,000 square foot medical/dental clinic on two acres of land in the Dickenson County Industrial Park that have been donated by the Dickenson County IDA. Matching funds would come from the land donation (\$50,000) and a grant request the applicant intends to submit to the Virginia Health Care Foundation. No detailed construction estimates are provided and the majority of matching funds are not yet committed. While there is no debate about the alarming healthcare statistics in the region, the shortage of medical services and the high rate of uninsured residents, construction of a local clinic as requested herein will incrementally expand access to healthcare but does not primarily address cancer research or telemedicine, the two stated priorities of the Special Projects healthcare funding. The Committee assisted Health Wagon last year with funding to purchase a new mobile van, which seems to be a more appropriate solution with regional reach than committing funds to one bricks and mortar site that would be challenging to reach from much of the stated six county service area. Per Committee policy, the Special Projects healthcare projects must have dollar-for-dollar matching funds, and as yet the majority of projected matching funds have not yet been committed. In a previous TICR-funded project, DHCD and USDA funded a local clinic in Nickelsville (Scott County) and could be a funder here. **Staff recommends no award.**

University of Virginia

Cancer Center Without Walls: Survivor Network (#2931)

\$1,121,419.23 requested

Executive summary provided by applicant: The UVA Cancer Center will improve the lives of cancer survivors in the Tobacco Footprint by expanding access to high-quality healthcare where patient support services are more difficult to access than urban locations. A "Survivor Network" will be created to collect information on survivors' needs, link individuals to existing services, and develop new targeted support services. Telemedicine and Community Health Worker (CHW) strategies will be integrated to increase services for survivors and to study ways to use and combine telemedicine and CHWs to improve survivorship, including follow-up care, geriatric assessment, and prevention of recurrence for obesity-related cancers. As a result of innovative research, improved early detection, and effective therapies, the number of cancer survivors in the United States is constantly growing. According to the American Cancer Society, there are currently 319,080 cancer survivors in Virginia. Survivors often face physical, emotional,

psychosocial, spiritual, and financial challenges as a result of their diagnosis and treatment. Survivors in the Tobacco Footprint face many of these challenges and others due to their rural residence. Survivorship in rural populations is understudied and gaps exist in our understanding of the unique needs of this population. The Survivor Network will improve the lives of cancer survivors in the Tobacco Footprint through expanded access to supportive services and high-quality healthcare. The creation of a survivor network will provide critical infrastructure to expand services for survivors, better understand their needs, test new services, and create opportunities for research. Through these findings, targeted services will be provided through telemedicine in collaboration with community health workers (CHWs) and regional partners. This infrastructure will be tested and evaluated through three pilot projects that will explore and test the synergies of telemedicine and CHWs to improve the lives of cancer survivors. This proposal is in complete alignment with the mission of TICRC and the Commission's strategic plan. The Survivor Network is designed to improve the lives of cancer survivors residing in the Tobacco Footprint by providing access to effective services and to develop efficient methods to reach rural cancer survivors in their communities. Providing expanded and efficient access is expected to lower rates of morbidity and mortality, promote economic development by enhancing the health of local survivors and their caregivers, build local capacity for healthcare services, and ultimately save healthcare dollars.

Staff comments and recommendation: UVA's Cancer Center, a National Cancer Institute-designated research center, has received a total of \$3.2 million for cancer research and telemedicine from the Commission since 2008. This proposal aligns solidly with the cancer research and telehealth/telemedicine priorities of the Special Projects healthcare objectives. Staff has confirmed with the applicant that all of the estimated 500 survivor network participants will be tobacco region residents, enrolled in a pilot effort prior to future rollout on a statewide basis. In addition, 200 tobacco region healthcare professionals would receive telehealth coordinator training. While this request for three years of funding seeks marginally more Charlottesville-based expenses than in the other recent requests from UVA Cancer Center (personnel accounts for \$850k of this proposal and the majority are based in Cville), TCR staff notes that all efforts proposed herein appear to be directed to an estimated 895 tobacco region patients and professionals, and this request continues to expand UVA's longstanding focus on Southwest VA to also enable greater outreach to Southern Virginia and collaboration on clinical trials with VCU Massey. **Staff recommends award of \$1,121,419.23.**

Virginia Commonwealth University

Continuing to Work to Achieve a Cancer Free Virginia (#2930)

~~\$3,000,000 requested~~—\$2,500,000 revised request

Executive summary provided by applicant: The purpose of this funding request is to continue the support for three initiatives to advance Massey Cancer Center's ability to improve detection, prevention, treatment and control of cancer in Virginia: 1) Develop a statewide clinical trials network that provides greater quality and scope of clinical trials for residents throughout the Virginia; 2) Achieve substantial growth in the depth and breadth of Massey's basic, translational, clinical, and prevention and control research to benefit the citizens of the state; and, 3) Provide greater quality and scope of clinical care and prevention and control services targeted for residents throughout the Commonwealth. The 2013 County Health Rankings, published by the University of Wisconsin and the Robert Wood Johnson Foundation highlighted areas of Virginia that have poor health outcomes, of which counties within the health districts of Pittsylvania/Danville and the Southside continue to be ranked among the worst. Data show that typically patients in these health districts receive a cancer diagnosis later than patients in other localities within the Commonwealth. Bringing the benefits of clinical trials and prevention & control research to these areas is a natural extension of Massey's commitment to improve the health and productivity of the workforce throughout Virginia. A three-pronged approach has been developed by Massey senior leadership

to provide a solution to the identified problem: 1) Partner with UVA Cancer Center, in conjunction with developing a statewide clinical trials network, to provide greater quality and scope of clinical research; 2) Achieve substantial growth in the depth and breadth of Massey's basic, translational, clinical, and prevention and control research; and, 3) Provide greater quality and scope of clinical care and prevention and control services targeted for residents. Each initiative has been developed to benefit residents in Virginia, with emphasis on those residing in the Southside and Southwest regions. Each initiative in this proposal builds upon each other in a cohesive and integrated approach in fulfilling the mission of the VCU Massey Cancer Center to serve the entire population of the Commonwealth as a comprehensive center of excellence in cancer research, prevention and control, patient care, and education. Massey is committed to addressing the cancer incidence and mortality disparities currently impacting the residents of the health districts of Pittsylvania/Danville and Southside. The overarching objective of this application is to improve the health and productivity of the regional workforce, and the entire Commonwealth of Virginia.

Staff comments and recommendation: VCU's Massey Cancer Center, a National Cancer Institute-designated research center, has received nearly \$6.4 million for cancer research from the Commission since 2008. The largest of those previous grants is a \$3 million award approved in January 2014. Massey has reduced its original \$3 million request submitted in July – which sought 100% of the funds budgeted by the Commission to the Special Projects program this year - to a revised request for \$2.5 million of operating support under three initiatives as described below:

- **Initiative #1** for their Clinical Research Department titled, "*Building A Statewide Clinical Trails Network*" and seeks **\$1,498,339**. The majority of the requested funds are for personnel costs (\$1.4M), and includes clinical research nurses of which fourteen individuals are budgeted to the project at 40% effort (25% charged to TICR and zero to match for most positions), two other positions at 30% effort, two positions at 40% effort, three at 50% effort, one at 60% effort, and one at 75% (based in South Hill). In the case of the positions being located in the tobacco region Staff agrees to accept those being charged to the grant at a higher percentage due to their effort being more wholly focused on our region. However, for Richmond-based positions with percent effort greater than 25%, the rationale for the basis for the effort should be provided. For any affiliate network personnel being charged to the grant at greater than 25% effort, the Commission will expect VCU to defend the rationale for the higher percentage. Initiative #1 matching funds specifically identify expenses outside the tobacco region and Richmond, and the Committee should consider whether these and other match outside of the defined areas are acceptable match for the project. Where funds are requested for Contractual Services (\$99K), the use of these funds will need to be consistent with the Commissions Funding Policies. Given the outputs for this Initiative #1 relate to increased tobacco region residents being served, it is expected that the applicant will be able to report on participation numbers for tobacco region residents at each affiliate location. This information is requested at the type of cancer level detail while respecting all aspects of patient confidentiality.

- **Initiative #2** is titled "*Growth in Basic, Translational Clinical Research.*" This request for \$404,091 is entirely for personnel to support basic, clinical, and translational positions by recruiting experts in lung, breast and gastrointestinal cancers, and providing "protected time" to develop pre-clinical foundational research. Personnel charged to the grant range upward from 1% (PI Ginder), 5% (2 positions), 10% (2), 15% (2), 50% (2), 53% (2) and 100% (1). For positions charged at 50% effort or greater, applicant will need to provide sufficient justification in order for Commission funding that benefits the entire Commonwealth. If positions are located within the tobacco region, it is understood that higher percentages are considered appropriate. Given that expansion of clinical trials offerings and pilot research under development is the outcome for this Initiative, reporting those that are being supported and from which affiliate locations they will be available to tobacco region residents will be expected.

- **Initiative #3** is titled "*Expanding and Improving the Quality and Scope of Prevention and Control, Research and Clinical Care.*" This request seeks **\$597,571** for 100% of personnel costs for four staff persons located at two cancer resource centers within the tobacco region, and at 100% for two positions in Richmond and a third at 50%. For positions in Richmond, percent effort appropriate to be charged to the grant will need to be defended and deemed acceptable by staff prior to approval of reimbursement requests.

Massey's revised proposal now seeks 71% of the Committee's available funds. Evidence of the required dollar-for-dollar match is provided in detailed budget documents, although some match may be statewide as mentioned above. While the proposal makes several references to serving the entire Commonwealth, and specifically names cancer center affiliations in Shenandoah, Fredericksburg, Peninsula, Henrico and other locations, TICR staff would note that the much-discussed award in January 2014 was contingent on Commission funds only being used for activities in the tobacco region and Massey's Richmond base. Massey estimates that 24% of the current request will be spent directly in the tobacco region, and has stated verbally that no other funds will be used outside the Richmond base. On the issue mentioned above regarding the percentage of time that Richmond-based personnel are supported by TICR funds, staff would note that the tobacco region population is approximately one-eighth of the Commonwealth's, and that funding a majority of the salaries of Richmond-based personnel must be justified so the Commission can fully understand the return on its investment, and to what extent TICR funds are being used to benefit other areas of the Commonwealth. As the largest recipient of cancer research funds (twice the amount granted to the Commonwealth's other NCI-designated center at UVA), staff would note that issues of equity with the UVA center must be acknowledged. Furthermore, as the Commission's endowment and annual budget decrease correspondingly in this and future years, Massey must recognize the funding limits of the Commission to help the Center's ongoing efforts to expand its research areas in order to become a comprehensive cancer research center. Given the funding limitations of the Special Projects program, **Staff recommends award of \$2,000,000 contingent on further reductions to the proposed budget that show no Commission funds being used outside the tobacco region or Massey's Richmond base, and that reduced but adequate reimbursement documentation will be negotiated so as to be mutually agreeable to the Commission and Massey.**

Wellmont Foundation d/b/a Wellmont Health System
Level One Heart Attack Network - SWVA Phase III (#2916)
\$93,591 requested

Executive summary provided by applicant: Wellmont Foundation requests \$93,591 matched with \$93,591 from Wellmont Health System, to equip 5 emergency medical providers in four counties with 7 diagnostic-level and transmission-capable electrocardiogram machines and upgrade 43 monitors in 7 counties with wireless links to improve program sustainability. This project will allow on-site emergency personnel in the field to transmit a patient's electrocardiogram digital output to specialty physicians who can diagnose a heart attack and direct appropriated treatment protocols to be immediately initiated - virtually transforming the emergency transportation vehicles into mobile cardiac care units. This is the final of 3 phases. Heart disease is a major health problem in this region and the leading cause of death in the United States. All eight counties which served through this project have death rates from heart disease that exceed the overall rate for Virginia by 7-74%. Typical emergency medical services (EMS) providers are not equipped with diagnostic-level, transmission capable electrocardiogram (ECG) equipment. As a result, patients with chest pains are diagnosed at local emergency rooms then transported to a STEMI receiving center for treatment. This increases the time period between blockage and relief and results in increased heart damage and poorer outcomes. Wellmont Health System will provide 7 diagnostic-level 12-lead ECG machines for 5 EMS agencies and purchase 43 wireless link upgrades for monitors purchased in phases 1 and 2. The wireless link allows the monitor to transmit information securely to a dedicated server which routes it to computer workstations in the ER's and secure physician specialists' smart phones on call at the time. The cardiologist can then virtually support the patient during transport via the trained technicians and allows immediate STEMI medication protocol initiation. Equipment deployment will include training, STEMI care training, medications, and agencies will take possession of the equipment. This project will have a tremendous impact on the region. Heart attack patients have access to a type of care which would not exist without funding. Faster treatment results in less heart muscle damage, providing an economic

echo by their returning to work faster with less disability, loss of productivity, and insurance costs. Accurate diagnosis in the field allows patients who are not having a heart attack to remain in their region for treatment at local hospitals, allowing related medical payments to support the local economy. Better trained and equipped emergency responders enhance care and community image.

Staff comments and recommendation: The Committee has assisted Wellmont's regional Heart Attack Network with two previous grants totaling \$400,000. The Foundation states this will be the final request to the Commission for equipment to fully serve emergency responders across most of Southwest VA. The primary benefit comes from faster diagnosis and treatment of STEMI patients that reduces permanent heart muscle damage and loss of work or life, while accurate diagnosis in the field allows patients who are not having a heart attack to remain in their region for treatment at their local hospital, saving the expense of transport to a STEMI center. The proposal indicates the requested equipment will assist an estimated 490 patients annually by directing them to STEMI cardiac care if needed, or to local emergency rooms if a cardiac situation is not indicated. Over the projected 20 year life of the equipment, that equates to nearly 10,000 patients served. The matching funds in this phase are in hand and committed, and the previous grant has demonstrated immediate verifiable results using telemedicine/telecommunications to serve hundreds of SWVA residents facing potentially deadly or debilitating illness. The applicant has agreed to a reduced award amount allowing for available balances from two previous grant awards to be used to support this request. **Staff recommends award of \$43,591.**

OTHER BUSINESS

Industrial Development Authority of Cumberland County ***Ag-Renewable Resources, LLC Anaerobic Digester Facility (#2150)***

In October 2010, the Special Projects committee approved a \$375,000 grant award to Cumberland County to support a poultry litter methane digester project. The commitment of funding was necessary in order for the proposed electric generating facility to be eligible for federal tax incentives requiring a certain percentage of construction to be completed by end of December 2010. The grant funds were used for site improvements of \$35,190, to purchase six, 30,000 gallon tanks at \$182,215; and structural steel for material handling facility at \$157,595. In October 2013, Commission staff received notification that the digester project had been terminated, and requesting approval for tanks to be liquidated with proceeds returned to the Commission, and for the metal building to liquidated or to allow the IDA to erect this building for use by another business. Staff approved the proposal for sale of the tanks and a \$125,000 refund check from the proceeds has been received and credited back to the project account. With the pending Special Project application for Project Gonzales, the County is requesting the Commission allow for transfer of ownership of the steel building frame purchased under this grant to the prospect, in exchange for private investment of over \$1.5 million for build-out of this building. There are three items that staff is recommending with respect to this grant award and support of Project Gonzales. **Staff recommends approval of transfer of ownership of the existing metal building frame under a performance agreement for fulfilling capital investment commitments for build-out of this facility; approval for use \$125,000 in proceeds from sale of tanks toward new site development costs requested under the pending Project Gonzales application (#2934), and an extension through October 25, 2015, to allow sufficient time for the new activities to be completed.**

Halifax Education Foundation

Advanced Manufacturing, Modeling and Simulation Research & Development (#1667)

This \$8 million grant was awarded July 31, 2008 to support two R&D facilities in Halifax County: an Innovation Center for Advanced Manufacturing Technologies within the Southern Virginia Higher Education Center and a Renewable Energy Incubator Center in Riverstone Technology Park utilizing the modeling and simulation equipment already available in this facility. The majority or \$6 million of the grant funds supported construction/renovation costs for the Innovation Center which was completed in December 2010. The remaining \$2 million for Riverstone was allocated to support equipment, software, technology integration, and support contracts required for the operation of Riverstone Energy Center. Following completion of construction of the Center for Coatings Application Research and Education in this same building, the Halifax County Industrial Development Authority launched a rebranding campaign which groups the business incubation, modeling and simulation, and coatings centers as part of the Southern Virginia Product Advancement Center. Operating contracts for the SVPAC are being supported by this grant. The Halifax County IDA which receives this funding as a pass-through from the Halifax Education Foundation, has budgeted the ~ \$358,000 balance remaining in the grant to support these operating expenses through December 31, 2015, and as such is requesting approval of extension for this time period. **Staff recommends approval of an extension to December 31, 2015.**

University of Virginia

CCAM: A Workforce Training & Economic Development Partnership with TICR (#2275)

This \$4,983,250 grant award approved in January 2011 provided funding toward construction of the CCAM facility, the advanced manufacturing workforce study conducted by Boston Consulting Group study, and hiring of a director of economic development and a director of workforce development (positions now held by Joe Anwyl and Bruce Sobczak). Expenditures related to the CCAM facility construction and workforce study have been reimbursed and those activities are complete. The Commission received a revised budget for the project in June 2013, which distributed the remaining funding allocated to support the two positions and CCAM administrative support over the calendar years 2013, 2014, and 2015. Due to time delays in recruitment and hiring of these positions, UVA is requesting an extension through December 31, 2015 consistent with the revised project budget. **Staff recommends approval of an extension to December 31, 2015.**

Henry County

Commonwealth Crossing Business Centre (Megasites - #2268)

\$5 million in Megasite grant funds were approved in January 2011 to support site development costs at Commonwealth Crossing. Due to delays associated with issuance of the permit by the Corps of Engineers, the County was not able to enter into a construction contract until earlier this year (May 2014). The revised estimated time frame for completion of the site development work supported under this award is January 2016. Henry County is requesting an extension to accommodate this revised schedule. **Staff recommends approval of fifth year extension to 1/12/2016.**

Henry County

Commonwealth Crossing Business Centre Water Tank and Water Lines (Megasites -#2486)

\$2.4 million in Megasite grant funds were approved in January 2012 to support costs for a waterline extension and a 1,000,000 gallon water tank. Work under this grant is not able to begin until site development activities under a construction contract with Blythe Development Company are completed which is currently estimated as January 2016. Henry County has estimated the completion date for work supported under this grant to be January 2017, and as such is requesting a fifth year extension. **Staff recommends approval of fifth year extension to 1/10/2017.**